

**CORRESPONDENCE  
IN LIEU OF  
DIRECTORS' MEETING  
MONDAY, DECEMBER 26, 2005**

**I. MAYOR**

- \*1. VETO MESSAGE from Mayor Coleen Seng - RE: Bill No. 05-161 for a change of zone on property generally located at 2100 K Street and 05R-289 a zoning agreement associated with a change of zone at 21<sup>st</sup> and K Streets - (See Letter)
- \*2. NEWS ADVISORY - RE: Mayor Coleen Seng and representatives of the Lincoln Area Agency on Aging will discuss the federal government's new Medicare prescription drug program (Part D) at a news conference at 9:45 a.m. on 12/22/05 - (See Advisory)

**II. DIRECTORS**

**FINANCE/CITY TREASURER**

- \*1. Monthly City Cash Report & Pledged Collateral Statement for November 2005 -(See Report)

**PUBLIC WORKS & UTILITIES**

- \*1. Memo & Material from Margaret Remmenga - RE: Lincoln Water & Wastewater Systems Fiscal Year 2004-05 Audits -(Reports on file in the City Council Office)(See Material)

**III. CITY CLERK**

#### **IV. COUNCIL**

##### **A. COUNCIL REQUESTS/CORRESPONDENCE**

###### **JON CAMP**

- \*1. E-Mail from Lynn Minch sent to Jon Camp - RE: Wal-Mart - (See E-Mail)
- \*2. Response E-Mail from Jon Camp to Coby Mach, LIBA - RE: Performance Auditor - (See E-Mail)

###### **ROBIN ESCHLIMAN**

- 1. Request to Lynn Johnson, Parks & Recreation Director - RE: Center lanes being painted on bike trails (RFI#2 - 11/09/05)

###### **PATTE NEWMAN**

- 1. Request to ~~Marc Wullschleger~~ & Wynn Hjermstad, Urban Development/ Marvin Krout & Ed Zimmer, Planning Department - RE: Triplets-serious concerns over the future of Whittier School (RFI#37 - 11/23/05). —  
**1.) SEE RESPONSE FROM MARC WULLSCHLEGER, URBAN DEVELOPMENT DIRECTOR RECEIVED ON RFI#37 - 12/05/05.**

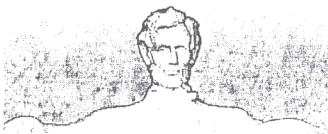
#### **V. MISCELLANEOUS -**

- \*1. E-Mail from Susan Schulte - RE: 84<sup>th</sup> & Adams -(See E-Mail)
- \*2. E-Mail from Wayne Simpson - RE: Wal-Mart - (See E-Mail)
- \*3. E-Mail from Roy & Carolyn Wolgamott - RE: Sid Dillon lighting -(See E-Mail)
- \*4. E-Mail from Jim Johnson - RE: Pass the Floodplain standards -(See E-Mail)
- \*5. E-Mail Letter & Material from LIBA - RE: Performance Auditor -(See Material)

- \*6. E-Mail from Lynn Kaufmann, A driver education instructor - RE: Failure to pass driving ordinance-(See E-Mail)
- \*7. E-Mail from Lt. Col. Joseph W. Johnson, Jr., USAF Retired - RE: Ambulance Service - (See E-Mail)
- \*8. E-Mail from Thomas A. Duden, Human Resources Manager, Design Data Corporation - RE: Design Data 14<sup>th</sup> & Old Cheney Road -(See E-Mail)
- \*9. Letter from M.A. Christensen - RE: Council struggling with increasingly complex issues -(See Letter)

## **VI. ADJOURNMENT**

**\*HELD OVER UNTIL JANUARY 9, 2006.**



# CITY OF LINCOLN NEBRASKA

MAYOR COLEEN J. SENG

lincoln.ne.gov

Office of the Mayor  
555 South 10th Street  
Suite 208

Lincoln, Nebraska 68508

402-441-7511

fax: 402-441-7120

mayor@lincoln.ne.gov

December 19, 2005

**VETO MESSAGE** - Bill No. 05-161 for a change of zone on property generally located at 2100 K Street and 05R-289 a zoning agreement associated with a change of zone at 21st and K Streets.

Dear City Council Chairperson and Members:

I hereby veto the Change of Zone and associated development agreement to permit a gasoline station, convenience store and fast food restaurant on the property located at 21st Street between K and L streets.

The proposed use does not conform to the adopted plans for Antelope Valley and the downtown. The Antelope Valley redevelopment plan calls for office, retail and apartment uses. The proposed uses do not meet the intent of the plan, and the very nature of the proposed uses, along with the site plan of multiple driveways and access points, would cause potential traffic congestion and pedestrian safety concerns. The downtown plan was specific about this area and designated the blocks between K and L streets, including this block, as primary opportunities for future office use. Office development would better match the character of the surrounding area and meet the objectives of the plan.

The Antelope Valley plan includes proposals for special architectural design controls to assure high-quality projects. The applicant has offered some restrictions, but the very nature of the use, with driveways wrapping around gas pump islands and canopies, makes it incompatible with the Antelope Valley design plans. The requirements of circulation for this plan will require removal of numerous mature shrubs and trees, which cannot be adequately mitigated for decades.

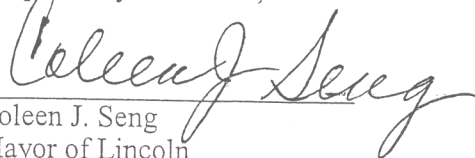
This location is a key gateway to downtown for thousands of commuters and visitors each day, and the proposed use as a gas station and convenience store would not enhance the appearance of this gateway entrance to the Capital City's downtown.

The applicant noted that the gas station and convenience store use would be relocated from the 17th & Q streets block in downtown that was previously considered for a hotel project. The applicant implies that the City should look favorably on this request in return for cooperation in redeveloping 17<sup>th</sup> & Q streets. However, there is no redevelopment project proposed for that site at this time and the applicant is not being displaced at his current location.

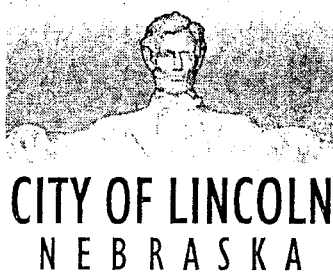
The Antelope Valley Plan envisions a higher and better use for the property at 21st & K streets than the proposed gas station/convenience store/fast food café. The Lincoln Partnership for Economic Development is interested in having land available for business and corporate expansions. This site offers that type of opportunity, which certainly will be enhanced as the Antelope Valley Project is completed.

For the above and foregoing reasons, I hereby veto 05-161 and 05R-289.

Respectfully submitted,



Coleen J. Seng  
Mayor of Lincoln



# NEWS ADVISORY

MAYOR COLEEN J. SENG

[lincoln.ne.gov](http://lincoln.ne.gov)

## OFFICE OF THE MAYOR

555 South 10th Street, Lincoln, NE 68508, 441-7511, fax 441-7120

**DATE:** December 21, 2005

**FOR MORE INFORMATION:** Diane Gonzolas, Citizen Information Center, 441-7831

Mayor Coleen J. Seng and representatives of the Lincoln Area Agency on Aging will discuss the federal government's new Medicare prescription drug program (Part D) at a news conference at **9:45 a.m. Thursday, December 22** at the **Downtown ActivAge Center, 1005 "O" Street.**

The Mayor will also discuss a study on streamlining the development process conducted by planning consultant Paul Zucker.

## OFFICE OF TREASURER, CITY OF LINCOLN, NEBRASKA

DECEMBER 22, 2005

TO: MAYOR COLEEN SENG &amp; CITY COUNCIL MEMBERS

FROM: FINANCE DEPARTMENT / CITY TREASURER

SUBJECT: MONTHLY CITY CASH REPORT

The records of this office show me to be charged with City cash as follows at the close of business November 30, 2005:

Balance Forward	\$	\$226,642,849.23
Plus Total Debits November 1-30, 2005	\$	\$31,019,350.00
Less Total Credits November 1-30, 2005	\$	(\$34,536,757.82)
<b>Cash Balance on November 30, 2005</b>	<b>\$</b>	<b>\$223,125,441.41</b>

I desire to report that such City cash was held by me as follows which I will deem satisfactory unless advised and further directed in the matter by you.


U. S. Bank Nebraska, N.A.	\$	\$645,730.91
Wells Fargo Bank	\$	(\$41,528.74)
Wells Fargo Bank Credit Card Account	\$	\$9,640.57
Cornhusker Bank	\$	\$55,121.56
Pinnacle Bank	\$	\$33,165.16
Union Bank & Trust Company	\$	\$286,276.35
West Gate Bank	\$	\$16,137.35
Idle Funds - Short-Term Pool	\$	\$43,912,425.96
Idle Funds - Medium-Term Pool	\$	\$177,529,998.61
Cash, Checks and Warrants	\$	\$678,473.68
<b>Total Cash on Hand November 30, 2005</b>	<b>\$</b>	<b>\$223,125,441.41</b>

The negative bank balances shown above do not represent the City as overdrawn in these bank accounts. In order to maximize interest earned on all City funds, deposits have been invested prior to the Departments' notification to the City Treasurer's office of these deposits; therefore, these deposits are not recorded in the City Treasurer's bank account balances at month end.

I also hold as City Treasurer, securities in the amount of \$22,177,137.66 representing authorized investments of the City's funds.

ATTEST:

*Joan E. Ross*  
Joan E. Ross, City Clerk



*Melinda J. Jones*  
Melinda J. Jones, City Treasurer

# CITY OF LINCOLN - PLEDGED COLLATERAL STATEMENT

## NOVEMBER 2005

DESCRIPTION	CUSIP	MATURITY DATE	ORIGINAL FACE	CURRENT PAR	MARKET PRICE	MARKET VALUE
FHLMC FGLMC D67795	3128F7UJ6	12/01/09	\$1,191,991.00	\$75,688.75	1.06	\$80,116.95
FHLMC GOLD POOL B13665	312966CA0	04/01/19	\$10,000,000.00	\$8,602,349.50	0.95	\$8,206,637.98
FHLMC FGTV C90689	31335HXS7	07/01/23	\$11,150,000.00	\$8,889,971.82	0.96	\$8,500,990.22
FNMA FNCL 254725	31371K4J7	05/01/33	\$500,000.00	\$346,453.98	0.97	\$336,674.90
FNMA FNCL 254592	31371KXV8	12/01/32	\$3,100,000.00	\$1,850,450.76	0.97	\$1,798,805.97
FNMA FNARM 303824	31373UPH4	07/01/25	\$1,600,000.00	\$47,004.82	1.02	\$47,750.16
FNMA FNCL 538363	31385AB89	04/01/30	\$550,000.00	\$29,923.43	1.07	\$31,953.92
FNMA FNCL 682970	31400BW77	02/01/18	\$7,100,000.00	\$4,087,795.46	0.97	\$3,983,795.00
FNMA POOL 725772	31402DJR2	09/01/34	\$8,500,000.00	\$7,217,596.50	0.97	\$7,003,298.12
FNMA FNARM 764364	31404CFD7	06/01/34	\$9,943,084.00	\$8,289,962.86	0.97	\$8,003,540.50
FNMA FNARM 768922	31404HG78	06/01/34	\$4,400,000.00	\$3,847,611.20	0.97	\$3,742,366.33
FNMA FNCL 805211	31406BR85	01/01/35	\$3,520,000.00	\$3,404,481.27	0.94	\$3,212,645.22
GNMA-2 G2JO 3156	36202DQH7	11/20/16	\$2,550,000.00	\$718,593.85	1.01	\$728,045.08
GNMA-2 G2JO 3194	36202DRP8	02/20/17	\$4,130,000.00	\$1,474,093.06	1.01	\$1,493,586.62
<b>USBANK NE</b>		<b>TOTAL PLEDGED</b>	<b>\$68,235,075.00</b>	<b>\$48,881,977.26</b>		<b>\$47,170,206.97</b>
FNCL 535771 6.00%	31384WFL9	02/01/31	\$8,200,000.00	\$1,020,151.67		\$1,028,700.25
FNCL 323605 6.50%	31374TNNW5	03/01/29	\$2,400,000.00	\$170,391.19		\$175,143.84
FNCL 323715 6%	31374TSC4	05/01/29	\$10,500,000.00	\$1,216,617.78		\$1,226,812.68
FNCL 545277 6.00%	31385HXE7	11/01/31	\$5,400,000.00	\$644,381.57		\$649,096.37
FNCL 555285 6.00%	31385W2S7	03/01/33	\$17,005,000.00	\$4,177,534.17		\$4,205,616.81
FNCL 615057 6.00%	31388UJA9	01/01/32	\$5,000,000.00	\$961,337.85		\$968,371.75
FNCL 622169 6.00%	31389DFJ1	12/01/31	\$2,200,000.00	\$309,898.64		\$312,166.10
FNCL 666295 6.00%	31391GGC4	11/01/32	\$8,650,000.00	\$1,171,556.35		\$1,179,431.90
FNCL 704870 6.00%	31401DCF6	02/01/33	\$975,000.00	\$241,674.49		\$243,299.10
FNCL 725610 5.50%	31402DDP2	06/01/34	\$4,160,000.00	\$3,120,495.54		\$3,077,040.08
FNCL 729001 5.50%	31402G3J0	08/01/33	\$2,050,000.00	\$1,410,222.92		\$1,393,933.77
FNCL 759855 5.50%	31403WE45	02/01/34	\$1,250,000.00	\$880,859.16		\$869,688.17
FNCL 773591 5.50%	31404NNG7	07/01/34	\$11,600,000.00	\$8,532,587.29		\$8,413,764.02
G2SF 3274 6.50%	36202DT76	08/20/32	\$30,800,000.00	\$3,822,903.70		\$3,948,288.98
GNSF 781210 6.50%	36225BKX5	09/15/29	\$8,700,000.00	\$805,470.27		\$838,593.15
<b>WELLS FARGO BANK NE</b>		<b>TOTAL PLEDGED</b>	<b>\$118,890,000.00</b>	<b>\$28,486,082.59</b>		<b>\$28,529,946.97</b>
FHLB 4.00	3133XAT56	03/10/08	\$250,000.00	\$250,000.00		
FHLB 5.375%	3133MEU66	05/15/06	\$100,000.00	\$100,000.00		
<b>UNION BANK</b>		<b>TOTAL PLEDGED</b>	<b>\$350,000.00</b>	<b>\$350,000.00</b>		
FHLB BOND 3.05%	3133XAX63	03/28/07	\$3,000,000.00	\$3,000,000.00		
FHLB 3.07%	3133MYND5	02/22/07	\$2,300,000.00	\$2,300,000.00		
FHLB 2.0%	31339YVN9	02/14/06	\$3,000,000.00	\$3,000,000.00		
<b>CORNHUSKER BANK</b>		<b>TOTAL PLEDGED</b>	<b>\$8,300,000.00</b>	<b>\$8,300,000.00</b>		
FHLB STEP UP 2.4%	31339XUE2	01/09/09	\$2,000,000.00			
FHLB STEP-UP 2.125%	31339YDB5	07/23/09	\$2,000,000.00			
<b>WEST GATE BANK</b>		<b>TOTAL PLEDGED</b>	<b>\$4,000,000.00</b>			
FHLBANK TOPEKA LOC	LOC #6588	03/24/06	\$2,100,000.00			
FHLBANK TOPEKA LOC	LOC #6583	03/23/06	\$2,000,000.00			
<b>TIER ONE BANK</b>		<b>TOTAL PLEDGED</b>	<b>\$4,100,000.00</b>			

# M e m o r a n d u m

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**To:** City Council Members  
**From:** Margaret Remmenga  
Public Works & Utilities Business Manager  
**Subject:** Lincoln Water & Wastewater Systems Fiscal Year 2004-05 Audits  
**Date:** December 13, 2005  
**cc:** Mayor Coleen J. Seng, Karl Fredrickson, Fran Mejer, Nicole Fleck-Tooze,  
Don Herz, Peggy Watchorn, Tammy Grammer, Joan Ross

BKD LLP has completed their audit of the Lincoln Water and Wastewater Systems for Fiscal Year 2004-05, and the final documents were submitted to me on November 30, 2005, per contract. We have since printed the reports and copies of the audit reports are available at both the City Clerk's office and City Council secretary's office for your review. Should you personally wish to have a copy of the audit reports, Tammy Grammer can obtain additional copies from my office.

Attached are copies of the Independent Accountants' Report on Financial Statements and Supplementary Information and Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. BKD stated in those reports they noted no matters involving the internal control over financial reporting and its operation that they would consider to be material weaknesses and the results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Should you have questions regarding the audit, please do not hesitate to contact Fran Mejer at 441-7537 or myself at 441-7550.





## Independent Accountants' Report on Financial Statements and Supplementary Information

The Honorable Mayor and Members of the City Council  
Lincoln Water System  
Lincoln, Nebraska

We have audited the accompanying basic financial statements of Lincoln Water System as of and for the years ended August 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of Lincoln Water System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the City of Lincoln, Nebraska Water System are intended to present the financial position, the changes in financial position and cash flows of only that portion of the City of Lincoln, Nebraska, that is attributable to the transactions of the Lincoln Water System. They do not purport to, and do not, present fairly the financial position of the City of Lincoln, Nebraska, as of August 31, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Water System as of August 31, 2005 and 2004, and its changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2005 on our consideration of Lincoln Water System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

1221 N Street, Suite 600    Lincoln, Nebraska 68508-2030    402 473-7600    Fax 402 473-7698

1120 South 101st Street, Suite 410    Omaha, Nebraska 68124-1088    402 392-1040    Fax 402 392-1772

The accompanying management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on Lincoln Water System's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

November 4, 2005



**Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards**

The Honorable Mayor  
and Members of the City Council  
Lincoln Water System  
Lincoln, Nebraska

We have audited the financial statements of Lincoln Water System as of and for the year ended August 31, 2005, and have issued our report thereon dated November 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lincoln Water System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Water System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

November 4, 2005

1221 N Street, Suite 600 Lincoln, Nebraska 68508-2030 402 473-7600 Fax 402 473-7698

1120 South 101st Street, Suite 410 Omaha, Nebraska 68124-1088 402 392-1040 Fax 402 392-1772



## Independent Accountants' Report on Financial Statements and Supplementary Information

The Honorable Mayor and Members of the City Council  
Lincoln Wastewater System  
Lincoln, Nebraska

We have audited the accompanying basic financial statements of Lincoln Wastewater System as of and for the years ended August 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of Lincoln Wastewater System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the City of Lincoln, Nebraska Wastewater System are intended to present the financial position, the changes in financial position and cash flows of only that portion of the City of Lincoln, Nebraska, that is attributable to the transactions of the Lincoln Wastewater System. They do not purport to, and do not, present fairly the financial position of the City of Lincoln, Nebraska, as of August 31, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Wastewater System as of August 31, 2005 and 2004, and its changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2005 on our consideration of Lincoln Wastewater System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

1221 N Street, Suite 600 Lincoln, Nebraska 68508-2030 402 473-7600 Fax 402 473-7698

1120 South 101st Street, Suite 410 Omaha, Nebraska 68124-1088 402 392-1040 Fax 402 392-1772

The accompanying management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on Lincoln Wastewater System's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

November 4, 2005



**Independent Accountants' Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit  
of the Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Honorable Mayor  
and Members of the City Council  
Lincoln Wastewater System  
Lincoln, Nebraska

We have audited the financial statements of Lincoln Wastewater System as of and for the year ended August 31, 2005, and have issued our report thereon dated November 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lincoln Wastewater System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Wastewater System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

November 4, 2005

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1120 South 101st Street, Suite 410 Omaha, Nebraska 68124-1088 402 392-1040 Fax 402 392-1772

**Tammy J Grammer/Notes**  
12/20/2005 10:04 AM

To CouncilPacket/Notes@Notes  
cc  
bcc  
Subject Fw: Walmart

----- Forwarded by Tammy J Grammer/Notes on 12/20/2005 10:06 AM -----



**campjon@aol.com**  
12/20/2005 09:59 AM

To tgrammer@lincoln.ne.gov  
cc LMinch@Streck.com  
Subject Fwd: Walmart

Tammy:

Please share this with my colleagues.

Jon

Jon Camp  
Lincoln City Council  
City Council Office: 441-8793  
Constituent representative: Darrell Podany

-----Original Message-----

From: Lynn Minch <LMinch@Streck.com>  
To: jcamp@lincoln.ne.gov  
Sent: Tue, 20 Dec 2005 08:35:14 -0600  
Subject: Walmart

DearLincolnCityCouncil Members,

I would just like to urge all of you to support the new Wal-Mart on north 84<sup>th</sup>. I live in Elmwood east of Lincoln and I think I speak for many that commute from east of Lincoln. We need this type of business in east Lincoln. It is time to stop constantly thinking North and South. It is very evident with the new Cabelas, and several shopping malls going into west Omaha that it is becoming very convenient to start spending my dollars the other direction. As a matter of fact last weekend I decided to give it a go and ended up spending around \$200.00 by the time I ate lunch, filled with gas, and bought a few Christmas gifts and that was after I went to Wal-Mart. These are tax dollars I would have spent at other stores in east Lincoln had there been a Wal-Mart (grocery center). I am beginning to think that the mayor etc. has other motives in North and

South Lincoln to continue ignoring the needs in other parts of the city. If you do not think that the rural dollar does not mean tax dollars for Lincoln just set out on east Hwy 34 for a week and count the cars. Once again I urge all of you to take control of this issue while you have the chance and give Lincoln a chance to finally grow for the sake of all of us and hope! fully come election time you can also find a city leader that is willing to work towards the same goals. Thanks for listening

Thanks  
Lynn Minch



**Tammy J Grammer/Notes**

12/22/2005 03:02 PM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: Performance Auditor

----- Forwarded by Tammy J Grammer/Notes on 12/22/2005 03:05 PM -----



**joncampcc@aol.com**

12/21/2005 06:51 PM

To coby@liba.org, robine@neb.rr.com, mim\_co@yahoo.com,  
pnewman@lincoln.ne.gov, jcook@lincoln.ne.gov,

amcroy@mccrealty.com

cc council@lincoln.ne.gov

Subject Re: Performance Auditor

Coby:

Thank you for your email. For your information, Patte Newman and I will represent the City Council on the committee designated by Mayor Seng to fill the independent performance auditor's position.

I will present the information you emailed to the committee at its first meeting. My understanding from Mayor Seng is that she chose not to follow any of LIBA's suggestions. After reading your proposal, I want you to know that I will support giving your recommendations a strong review before any further steps are taken to recruit an internal "performance" auditor. In light of the challenges with the animal control, no extra street construction dollars for Public Works, and the EMS Enterprise Fund \$500,000 deficit, this position is more important than ever.

Best regards,

Jon

Jon Camp

Office: 402-474-1838

Home: 402-489-1001

Cell: 402-560-1001

Email: JonCampCC@aol.com

-----Original Message-----

From: LIBA <coby@liba.org>

To: robine@neb.rr.com; mim\_co@yahoo.com; JonCampCC@aol.com;

pnewman@lincoln.ne.gov; jcook@lincoln.ne.gov; amcroy@mccrealty.com  
Cc: council@lincoln.ne.gov  
Sent: Wed, 21 Dec 2005 07:48:18 -0600  
Subject: Performance Auditor

Last month, LIBA presented the Mayor with a position statement on the Performance Auditor and included a job description, charter amendment, etc. (see attached) We hope the City Council will move forward to hire a true "Performance" auditor.

Coby Mach  
Executive Director  
LIBA - Lincoln Independent Business Association  
620 North 48th Street Suite 205  
Lincoln, NE 68504  
Phone - 466-3419  
Cell - 430-5554  
email - [coby@liba.org](mailto:coby@liba.org)  
[www.liba.org](http://www.liba.org)

**Tammy J Grammer/Notes**

12/19/2005 12:55 PM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: 84th & Adams

----- Forwarded by Tammy J Grammer/Notes on 12/19/2005 12:57 PM -----



**Susie Schulte**

<sgschulte79@yahoo.com>

12/19/2005 11:14 AM

To mayor@lincoln.ne.gov

cc council@lincoln.ne.gov

Subject 84th & Adams

Dear Mayor Seng,

Thank you so much for speaking up for us out here at 84th & Adams. Before this time I have never contacted the City Council or Planning Department in any manner that has come up. A big box the size Walmart wants to put in would cause major traffic and safety issues at the intersection of 84th & Adams that is already dangerous. I use this intersection up to five times a day crossing it to take my daughter to Faith Lutheran School. (I am not able to make a left off of 84th & Leighton to go north it is impossible so I must go up to Adams and go across that way by the cemetery.) I have to warn our older teenagers that drive over there for church events to always be careful of the light as the rock trucks do not stop for their "red" lights and I myself have had many near misses. It is a RACE TRACK out there! WOW!

I know of three accidents in the past two weeks, one involving the rescues squad.

I very much appreciate the concerns of the city council in listening to me as a resident. Regardless of how they would vote on this matter I have very high respect for SIX of the council and I believe their vote is what they feel would be the best for Lincoln. I am disappointed in Robin being so unprofessional and who is so very narrow minded and chose to attack me because of my husband being a grocer every time I sent her a note of concern. I would love to send you copies of her notes to me but I do not want to waste any more of your time with this.

I want you to know that I have never even watched the Walmart movie. I could have but chose not to. No way has my husband ever talked me into doing any fighting for his company. We live out here and I and the kids use these streets all of the time. I do read and see on tv what the national media has concerning Walmart and I think that maybe people are starting to wise up a little more before it is too late in having too many Walmarts in one area. I am approximately 10 minutes from each one here in town.

What bothers me is that it is all or nothing for Walmart. A 100,000 sq ft box store out there at 84th & Adams is plenty big (Target @ 48th & O Street) (Kohl's at 84th & O Street) These are nice sized stores with ample space. Please do not allow Walmart to come in a build two buildings next to each other. I know this happened somewhere out east. Again, I thank you for your time in this manner. I wish you and your family and the councils' families all a very Merry Christmas!

Very Sincerely,  
Susan Schulte  
466-1239  
8120 Whitney Court

---

Do You Yahoo!?  
Tired of spam? Yahoo! Mail has the best spam protection around  
<http://mail.yahoo.com>

**Tammy J Grammer/Notes**

12/19/2005 03:36 PM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: WAL-MART

----- Forwarded by Tammy J Grammer/Notes on 12/19/2005 03:38 PM -----



**"Wayne Simpson"**

**<wesim@neb.rr.com>**

12/19/2005 02:22 PM

To <Council@lincoln.ne.gov>

cc

Subject WAL-MART

The Mayor claims that putting a Wal-Mart at the 84th & Adams approximate location would not be a favorable move because it is a "stand-alone" shopping store without the benefit of other retail businesses nearby. In that regard she claims she will veto any approval by the City Council.

**But if that is her criteria, what about the Kohl's Dept store at 401 N 84th.** There are no other retail stores anywhere nearby. As such either her logic is flawed or the rule she is going by is flexible depending on who is favored. **I recommend that if she carries out her veto, then to be consistent, Kohl's should also vacate.**

There may be other such examples within the city.

**Tammy J Grammer/Notes**

12/20/2005 07:55 AM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: Sid Dillon lighting

----- Forwarded by Tammy J Grammer/Notes on 12/20/2005 07:57 AM -----



**<rwolgamott@alltel.net>**

12/19/2005 10:26 PM

To <council@lincoln.ne.gov>

cc

Subject Sid Dillon lighting

Is there anything that can be done to have them change the type of lighting they use in their lot? Duteau lighting is great. It shines down and not out as Dillon's does. We have contacted them several times. They have turned some of the lights off in the evening but it is still very light in our house from their lights. It seems if they are going to be neighbors to residential areas they should have to do the same as Duteau and Williamson. We back to the commons just south of them and it is very annoying to have such bright lighting shining into our home. Thank you for your time. Roy and Carolyn Wolgamott rwolgamott@alltel.net

**Tammy J Grammer/Notes**

12/20/2005 07:55 AM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: Pass the Flood Plain standards

----- Forwarded by Tammy J Grammer/Notes on 12/20/2005 07:57 AM -----



**Jim Johnson**

<jjohnson@cornhusker.net>

12/20/2005 05:23 AM

To oped@journalstar.com

cc council@lincoln.ne.gov, mayor@lincoln.ne.gov

Subject Pass the Flood Plain standards

I got home from work on December 19 and watched the tail end of the City Council meeting, and saw an example of government at its worst.

At issue was a series of ordinances to protect people in floodprone areas from the consequences of unrestricted building in their neighborhood. The ordinances had been hashed out by a task force composed of citizens from all facets of the community.

The discussion came at the end of a long meeting. No doubt Council members were tired; we don't pay them enough to do this stuff. Still, one would think they could stay on task, vote yes if they thought it good to discourage building in floodprone areas, vote no if they thought unrestricted building is OK, maybe draw up careful amendments and distribute them ahead of time for public comment.

That's not what happened. At the last minute, Council member Eschliman threw a monkey wrench into the works. ("Last minute" is too kind - she didn't bring it up until the Council had ceased debate on the first of the ordinances and was already voting.) She called for amendments to exempt businesses which create 100 new primary jobs. (No indication as to how the City can verify that information, no definition of which jobs are "primary" and which aren't.)

She clearly had no clue as to where to place the amendments; when it was pointed out that such amendments belong in the Special Permits sections, which weren't even under discussion, Eschliman said she wanted to see them put in during the debate at hand, rather than "going through the whole process."

Here's news: there's a reason we HAVE a public process. If I decide to build in the floodprone area, and if your home then becomes more likely to get washed away or harder to insure, why should I be able to do that without going through "the whole process"? What makes me so special, and what makes you such a scumbag that your word shouldn't even be considered?

But instead of ruling Eschliman out of order and telling her to come back later with amendments attached to the proper sections, the Chair and a Council majority shamelessly cut off debate and delayed the Task Force proposals for three weeks. Bravo to Patte Newman and Jonathan Cook for standing with the people, bah humbug to the others for putting down the public process.

Sincerely,

Jim Johnson

1201 Berkshire Ct #36

Lincoln NE 68505

Daytime Phone: 471-5683

Home Phone: 466-0690

[jjohnson@cornhusker.net](mailto:jjohnson@cornhusker.net)

cc: [council@lincoln.ne.gov](mailto:council@lincoln.ne.gov), [mayor@lincoln.ne.gov](mailto:mayor@lincoln.ne.gov)



**Tammy J Grammer/Notes**

12/21/2005 12:33 PM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: Performance Auditor

----- Forwarded by Tammy J Grammer/Notes on 12/21/2005 12:35 PM -----



**"LIBA" <coby@liba.org>**

12/21/2005 07:48 AM

To <robine@neb.rr.com>, <mim\_co@yahoo.com>,  
<JonCampCC@aol.com>, <pnewman@lincoln.ne.gov>,  
<jcook@lincoln.ne.gov>, <amcroy@mccrealty.com>  
cc <council@lincoln.ne.gov>

Subject Performance Auditor

Last month, LIBA presented the Mayor with a position statement on the Performance Auditor and included a job description, charter amendment, etc. (see attached) We hope the City Council will move forward to hire a true "Performance" auditor.

Coby Mach  
Executive Director  
LIBA - Lincoln Independent Business Association  
620 North 48th Street Suite 205  
Lincoln, NE 68504  
Phone - 466-3419  
Cell - 430-5554  
email - [coby@liba.org](mailto:coby@liba.org)  
[www.liba.org](http://www.liba.org)



- City Auditor Position Statement.doc



- Auditor Ordinance.doc

Position Statement - City Auditor  
November 15, 2005

The Lincoln Independent Business Association ("LIBA") wishes to encourage the City of Lincoln to move quickly in hiring a City Performance Auditor with the funds designated in the adopted Annual Budget.

Lincoln has already praised the Mayor and the City Council for moving forward with the idea of a City Performance Auditor to help improve efficiency and accountability in our local government. Now that the position has been funded, we believe it is time to fill the position.

In beginning the search for this candidate, LIBA reminds you that we need to find an experienced performance auditor to fill this position. Performance auditing looks beyond just the financial records of the City, and focuses on finding efficiencies and effectiveness in the performance of government duties. Guidelines and recommendations for the auditor should be consistent with those established by the National Association of Local Government Auditors ("NALGA").

LIBA also wishes to recommend a unique method for supervising the City Auditor. Nationwide, no single method of supervision seems to exist. Some city auditors report directly to the public (they're elected), some report to the mayor, some report to the comptroller, and some report to the City Council. LIBA would recommend that Lincoln create a City Audit Board made up of five members. The Board members would be selected as follows: two to be named by the mayor; two to be named by the City Council; and one to be named by the Executive Director of the Nebraska Board of Public Accountancy. The Executive Director of the Nebraska Board of Public Accountancy would also serve as an ex-officio, non-voting member and chair of the Board. We feel this approach provides the best opportunity for the City Auditor to act independently and with the least amount of political influence.

In order to assist you in moving forward with this hiring, LIBA is providing you with a draft job description, draft ordinance, and a list of recommended areas for the auditor to start with. The draft job description and ordinance have been tailored for Lincoln from sample documents provided by NALGA.

We look forward to hearing from you and hope that you are able to move quickly in filling the position and making a good city even better.

Sincerely,

Coby Mach  
For the Board

### **List of Priorities**

The city has already started a study with the help of “Zucker Systems” and has been looking into areas for improving Public Works, Planning, and Building & Safety. Therefore, we feel it’s important that these areas be a priority.

- 1 Public Works
- 2 Planning
- 3 Building & Safety
- 4 Employee Classes & Bands
- 5 EMS
- 6 Star Tran

## **CHARTER LANGUAGE**

SECTION \_\_\_\_\_. Lincoln City Auditor

The Lincoln City Auditor shall be appointed by the Mayor and ratified by a majority of the City Council. The City Auditor shall conduct, or cause to be conducted financial, performance and other audit services following government auditing standards. The auditor can be removed from office for cause on a vote of at least two thirds of the City Council. All audit reports are public documents and will be made available for public examination.

***AN ORDINANCE ESTABLISHING AN OFFICE OF CITY AUDITOR AND  
SETTING FORTH THE CONDITIONS AND SPECIFICS UNDER WHICH SAID  
OFFICE SHALL FUNCTION***

WHEREAS, government auditing independently reviews, evaluates and reports on: the financial condition; the accuracy of financial record keeping; compliance with applicable laws, policies, guidelines and procedures; and the efficiency and effectiveness of government operations; and

WHEREAS, city employees, management and elected officials are responsible to the taxpayer for their use of public resources and should be held accountable for such use; and

WHEREAS, it is vital that government exercise its power and perform its duties in compliance with laws, policies, and established procedures and should apply good judgment and sound management practices; and

WHEREAS, the independence and public accountability of the auditor can be assured by provision of an independent auditor:

NOW THEREFORE BE IT RESOLVED THAT:

1. The Office of City Auditor is hereby established.

AND BE IT FURTHER RESOLVED THAT:

2. The auditor shall be appointed by the Mayor upon advice and consent of the City Council.
3. The auditor shall be knowledgeable in performance and financial auditing, public administration, and government financial and fiscal practices.
4. The auditor shall not be actively involved in partisan political activities or the political affairs of the City of Lincoln or Lancaster County.
5. The auditor shall possess adequate professional proficiency for the job, demonstrated by relevant certification such as CIA (Certified Internal Auditor), CPA (Certified Public Accountant) or an advanced degree in a relevant field with at least five years experience in the field of government auditing, evaluation or analysis (CIA or CPA preferred). The auditor shall have a bachelor's degree in accounting, business administration, or public administration or related field. If financial statement audits are performed, the auditor must be a CPA.
6. The auditor shall be an at-will employee of the City and report to the City Audit Board, which shall be established to consult with the auditor regarding establishment of audit schedule, audit progress, audit follow-up, special needs; and shall work to assure maximum coordination between the work of the auditor and the needs of the Mayor, City Council, and external auditors.

7. City Audit Board members shall be as follows: (a) two members to be nominated by the Mayor; (b) two members to be nominated by a majority vote of the City Council; (c) one member to be nominated by the Executive Director of the Nebraska Board of Public Accountancy; and (d) the Executive Director the Nebraska State Board of Public Accountancy, who shall – if willing to serve – be a non-voting, ex officio member and Board Chair. All appointees shall be independent of the City's management and administrative service. Insofar as practicable, all board members shall also be competent in matters of performance and/or financial auditing.
8. The City Auditor shall adhere to government auditing standards in conducting its work and shall be considered independent as defined by those standards.

## **CHAPTER 4.66 LINCOLN CITY AUDITOR**

### **Sections:**

- 4.66.010 Policy.**
- 4.66.020 City Audit Board Established; Membership; Term.**
- 4.66.030 Board Duties and Powers.**
- 4.66.040 Meetings and Rules.**
- 4.66.050 Staff.**
- 4.66.060 City Auditor.**
- 4.66.070 Scope of Audits.**
- 4.66.080 Audit Schedule.**
- 4.66.090 Special Audits.**
- 4.66.100 Funding.**
- 4.66.110 Records.**
- 4.66.120 Access to Employees, Records and Property.**
- 4.66.130 Agency Response.**
- 4.66.140 Audit Reports to City Audit Board, Mayor, and City Council.**
- 4.66.150 Report of Irregularities.**
- 4.66.160 Annual Report.**
- 4.66.170 Audit Follow-up.**
- 4.66.180 Contractor Auditors, Consultants, and Experts.**
- 4.66.190 Quality Assurance Reviews.**

**4.66.010 Policy.** The City of Lincoln recognizes the importance of establishing a mechanism to audit: (1) the performance of all offices, departments, agencies, and other governmental organizations; (2) the adequacy of management and financial accounting systems and controls; and (3) the accuracy of management and financial records, statements, and reports within the jurisdiction of the City Council.

**4.66.020 City Audit Board Established; Membership; Term.** A City Audit Board is hereby established. The Board shall have consist of six members, including the Executive Director of the Nebraska State Board of Public Accountancy, who shall be a non-voting ex officio member, and:

1. two members to be nominated by the Mayor and approved by the City Council;
2. two members to be nominated by the City Council and approved by the City Council; and
3. one member to be nominated by the Executive Director of the Nebraska State Board of Public Accountancy.

Insofar as practicable, all members of the Board shall be competent in matters of performance and/or financial auditing.

Except for the Executive Director of the Nebraska State Board of Public Accountancy, the term of service on the committee is three years. In order to provide continuity, the mayor's first two nominees shall serve for one year, the City Council's first two

nominees shall serve for two years, and the final member shall serve a full three-year term. Removal of a member during the term of service shall be on recommendation of the Mayor, concurred in by a majority vote of the City Council, and only for good cause.

#### **4.36.030 Duties and Powers.**

The City Audit Board shall have the power to oversee, direct, and review the work performed by the City Auditor and to make reports and suggest actions to the City Council, Mayor, and public regarding the work conducted by the Auditor.

The City Audit Board shall have the following responsibilities:

1. To direct the City Auditor to conduct performance and/or financial audits of all offices, departments, agencies, special districts and other governmental organizations within the jurisdiction of the City Council and Mayor;
2. To evaluate the adequacy of management and financial accounting systems and controls;
3. To appraise and verify the accuracy of management and financial records, statements and reports based on information provided by the City Auditor; and
4. Report to the Mayor and City Council on all audit matters, including reports and any irregularities or failures to comply with legal or administrative policies.

**4.66.030 Meetings and Rules.** The Chair shall conduct meetings of the Board. Minutes and a permanent record of all resolutions, motions, and determinations shall be kept on file in the office of the City Clerk. The Board shall prepare a written statement to the City Council and Mayor detailing and explaining the Annual Audit Schedule and a schedule for delivering audit reports to those offices.

The Board shall meet as necessary to hear reports from the City Auditor, but in no event shall they meet less regularly than once a month.

A quorum shall be four members of the Board. The Board may adopt such rules, bylaws, and procedures as it deems appropriate to carry out the purposes and goals of this Chapter.

**4.66.050 Staff.** Secretarial and staff assistance shall be provided, if necessary, by the Finance Department.

**4.66.060 City Auditor.** The City Auditor shall be selected by the Mayor and approved by a majority vote of the City Council. The City Auditor shall be a management level employee and serve at-will. The City Auditor must be a person knowledgeable in public administration, public financial and fiscal theory, governmental accounting, and auditing. In selecting an Auditor, the City should give preference to candidates with a Certified Internal Auditor (CIA), Certified Government Financial Manager (CGFM), or Certified Management Accountant (CMA) designations and/or a Masters or PhD in Business or Public Administration. In all events, the City Auditor must be a Certified Public Accountant (CPA).



#### **4.66.070 Scope of Audits.**

1. The City Auditor shall conduct work in accordance with government auditing standards.
2. The City Auditor shall have authority to conduct financial, performance or other audits of all departments, offices, boards, activities and agencies of the entity in order to independently and objectively determine whether:
  - a. activities and programs being implemented have been authorized by City Charter or Municipal Code, state law or applicable federal law or regulations;
  - b. activities and programs are being conducted as prescribed by the Mayor's Office or City Council to accomplish the objectives intended by the City Charter or Municipal Code, state law or applicable federal law or regulations;
  - c. activities or programs efficiently and effectively serve the purpose intended by the City Charter, Municipal Code, state law or applicable federal law or regulations;
  - d. activities and programs are being conducted and funds expended in compliance with applicable laws;
  - e. revenues are being properly collected, deposited and accounted for;
  - f. resources, including funds, property and personnel, are adequately safeguarded, controlled and used in an effective and efficient manner;
  - g. financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities and that is necessary to establish a proper basis for evaluating the programs and activities;
  - h. there are adequate operating and administrative procedures and practices, systems or accounting internal control systems and internal management controls which have been established by management; or
  - i. there are indications of fraud, abuse or illegal acts which need further investigation.

**4.66.080 Audit Schedule.** At the beginning of each fiscal year, the auditor shall submit a one to five year audit schedule to the City Audit Board for review and comment. The schedule shall include the proposed plan for auditing departments, offices, boards, activities, subcontractors and agencies for the period. This schedule may be amended during the period after review with the City Audit Board. Additionally, the auditor may spontaneously initiate and conduct any other audit deemed necessary.

In the selection of audit areas and audit objectives, the determination of audit scope and

the timing of audit work, the auditor should consult with federal and state auditors and external auditors so that the desirable audit coverage is provided and audit effort is properly coordinated.

**4.66.090 Special Audits.** In the event the auditor receives a request to perform a special audit not included in the annual audit schedule, the auditor may obtain the approval of the City Audit Board to amend the annual audit schedule to reflect the approved modification.

**4.66.100 Funding.** Funds sufficient to carry out the responsibilities specified herein shall be provided. The City Auditor's performance shall be evaluated annually by the City Audit Board, who shall make recommendations to the City Council regarding any proposed changes in the City Auditor's salary.

**4.66.110 Records.** The City Auditor shall retain a complete file of each audit report and each report of other examinations, investigations, surveys and reviews made under legislative authority for a minimum seven years, or longer if so directed by statute or ordinance. The file should include audit workpapers and other supportive material directly pertaining to the audit report.

#### **4.66.120 Access to Employees, Records and Property**

1. All officers and employees of the City of Lincoln shall furnish the auditor with unrestricted access to employees, information and records (including automated data) within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts and methods of business required to conduct an audit or otherwise perform audit duties. In addition, they shall provide access for the auditor to inspect all property, equipment and facilities within their custody. If such officers or employees fail to produce the aforementioned access and/or information, the auditor may initiate a search to be made and exhibits to be taken from any book, paper or record of any such official or employee, or outside contractor or subcontractor, except as governed by statute. Further, all contracts with outside contractors and subcontractors shall provide for auditor access to all financial and performance related records, property, and equipment purchased in whole or in part with governmental funds and facilities.
2. The auditor shall not publicly disclose any information received during an audit that is considered proprietary in nature or confidential by any local, state or federal law or regulation.

#### **4.66.130 Agency Response**

A final draft of the audit report will be forwarded to the audited agency and the chief executive officer for review and comment regarding factual content before it is released. The agency must respond in writing and specifying agreement with audit findings and recommendations or reasons for disagreement with findings and/or recommendations, plans for implementing solutions to issues identified and a time table to complete such

activities. The response must be forwarded to the auditor within sixty days. The auditor will include the agency's response in the report. If no response is received, the auditor will note that fact in the transmittal letter and will release the audit report. In the case of contracted audits, audits may be released without inclusion of a response. Any subsequent responses shall be distributed to those who received the audit report.

#### **4.66.140 Audit Reports to City Audit Board, Mayor and City Council**

1. Each audit will result in a written report containing relevant background information and findings and recommendations, and shall communicate results to the City Audit Board, Mayor and City Council. The report shall also be available for public examination.
2. The auditor shall submit each audit report to the City Audit Board and shall retain a copy as a permanent record. A copy shall also be filed with the City Clerk.

**4.66.150 Reports of Irregularities.** If during an audit, the City Auditor becomes aware of abuse or illegal acts or indications of such acts that could affect the governmental entity, the City Auditor shall report the irregularities to the City Audit Board, the Mayor or City Council. If the Mayor or a member of City Council is believed to be a party to abuse or illegal acts, the City Auditor shall report the acts directly to the City Audit Board and the party that is not involved in the suspected misconduct. If it appears that the irregularity is criminal in nature, the City Auditor shall immediately notify the City Attorney or Attorney General's office in addition to those officials previously cited.

**4.66.160 Annual Report.** The City Auditor shall submit an annual report to the City Council within 90 days following the end the City's fiscal year. The Annual Report shall indicate: audits completed; major findings; corrective actions taken by administrative managers; and significant findings which have not been fully addressed by management.

**4.66.170 Audit Follow-up.** The City Auditor shall follow-up on audit recommendations as practical to determine if administrative managers are implementing corrective action. The City Auditor may request periodic status reports from audited entities regarding actions taken to address reported deficiencies and audit recommendations.

#### **4.66.180 Contractor Auditors, Consultants, and Experts.**

1. Within budget limitations, the City Auditor may obtain the services of Certified Public Accountants, qualified management consultants, or other professional experts necessary to perform the auditor's duties. An audit that is performed by contract must be conducted by persons who have no financial interests in the affairs of the governmental unit or its officers. The auditor will coordinate and monitor auditing performed by public accounting or other organizations employed under contract by the City of Lincoln.
2. The auditor will play a key role in the selection of the City of Lincoln independent auditor. In contracting for the external audit, the auditor will follow the City of Lincoln's normal contracting processes. The auditor's selection of a

certified public accounting firm for the annual financial audit must be approved by the City Council.

**4.66.190 Quality Assurance Reviews.**

1. The audit activities of the auditor's office shall be subject to quality review in accordance with applicable government auditing standards by a professional, non-partisan objective group utilizing guidelines endorsed by N.A.L.G.A. A copy of the written report of this independent review shall be furnished to each member of the legislative body. This report shall be available to the public.
2. The quality control review shall determine compliance with government auditing standards and the quality of the audit effort and reporting, including:
  - a. general standards such as staff qualifications, due professional care, and quality assurance;
  - b. fieldwork standards such as planning, supervision, and audit evidence; and
  - c. reporting standards such as report content, presentation, and timeliness.
3. The local government shall reimburse the costs of the quality control review team from funds budgeted in the auditor's budget or other in-kind support.

SECTION 1. Assistants and Employees

1. The Office shall be provided a separate budget (subject to available resources) sufficient to carry out the responsibilities and functions established in this ordinance.
2. The auditor shall establish an organizational structure appropriate to carrying out the responsibilities and functions of this ordinance.

The auditor shall have the power to appoint, employ, and remove such assistants, employees and personnel as deemed necessary for the efficient and effective administration of the affairs of the office.

**Tammy J Grammer/Notes**

12/22/2005 08:00 AM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: failure to pass diving ordinance

----- Forwarded by Tammy J Grammer/Notes on 12/22/2005 08:03 AM -----



**Lynn & Jane Kaufmann**

<lkauf@huskeraccess.com>

12/21/2005 10:01 PM

To council@lincoln.ne.gov

cc

Subject failure to pass diving ordinance

As a driver eduction instructor, I was very disappointed to read in the paper the council did not pass the regulation where people could not drive down the center turn lane!! If you could only see the number of times where my students while driving have had people drive in this lane for blocks passing us to make a left turn sooner. State law states you cannot use this lane for passing and I believe this is a form of passing. It is also understood driving more that 500 feet down this lane is illegal. My students and I have correctly entered the turn lane only to have people turn right at an intersection and try to hit us head on while trying to drive down the center turn lane to get past other people in a single lane of traffic. I have observed numerous cases of this dangerous disregard for driving not t o mention the red light runners that has become an absolute epidemic!! The worst example was when O street was under construction. Traffic was backed up on vine from 70th to 66th. As we began to enter the turn lane to turn left onto 66th, another car pulled into this lane. My students had to almost stop, move into the right lane again and then back into the left turn lane while this impatient driver drove all the way to 70th street in the center turn lane!! So if I can say anything to change your mind, please reconsider this ordinance and give the police some power to ticket people for their poor judgment of driving or should I say their decision to make their own driving rules as they go.

My second suggestion is to hire 50 to 100 more police to do nothing but write tickets to people who don't follow the driving rules!!! I realize this is a serious budget item but all the signs and regulations in the world are NOT going to stop these people except police, cameras showing their illegal acts, and then tickets to reinforce those decisions to do such acts!! Especially since our city has grown in so much in area.

My third suggestion is to lobby the state to change the rules of license renewal. Right now when a person gets a Class O license, it is a permanent license if those drivers never have any suspensions from points or other methods. I don't know of any other license having no method of renewal except an eye test. Everyone should at least be required to read and pass a test over the basic driving rules periodically!! Especially since they are changing quite often.

Thank you for your time to read this letter. As an instructor trying to teach students to be good drivers yet they see so many illegal acts.

NOT once while drive with me have they observed a police stop those person. Our job has become a very difficult one with those observations going on.

Lynn Kaufmann, instructor

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**Tammy J Grammer/Notes**

12/22/2005 08:00 AM

To CouncilPacket/Notes@Notes

cc

bcc

Subject Fw: Ambulance Service

----- Forwarded by Tammy J Grammer/Notes on 12/22/2005 08:03 AM -----



**jwjir@concentric.net**

12/22/2005 02:02 AM

To oped@journalstar.com

cc

Subject Ambulance Service

Dear Editor!

I salute you for the exceptional editorial on Tuesday (LJS, 20 Dec) on the failure of Lincoln's Fire Department operated ambulance service. It is one of the best and most honest outlines of what happened and what is happening in Lincoln and why!

I must emphasize, however, that what you recently wrote was what I and others wrote when it was all taking shape. To quote you:

"The fire department knew how to get what it wanted. Members of the union that represents fire department personnel made political contributions and volunteered their time to help elect a bloc of City Council members and Mayor Don Wesley. They won. Now the taxpayers are paying the bill."

These were the words that I and others were making five years ago! We had no problem with an ambulance system that was not broken, but we got a fix! Private enterprise worked well in Lincoln -- and, for a political payoff, firefighters bought politicians, promised taxpayer savings firefighters could not deliver, and we citizens ended up -- screwed!

Somehow, as we opponents of change predicted, Democrats on the Council and, indeed, Mayors Wesley and Seng, ended up having their "victory" parties at, guess what, the fire fighters' union hall! And, the president of the union, Mike Spadt, became fire chief!

It seems obvious to me, and other citizens, that the first step to correct the situation is fire Spadt. Following that, the city should return ambulance service to the private sector, difficult as that may be. Who, in the private sector, can trust the City of Lincoln to turn its back on statist/socialist approaches when Lincoln manifestly shut down a well-functioning, long serving private enterprise and replaced it with an incompetent public "enterprise"?

Clearly, Spadt, a political appointee, has failed to deliver on his promises. Union presidency is obviously no qualification for being a good manager or producer or profit maker! But there is more here than just his termination! More important is the restoration of the good name of this city in the eyes of those who want to do business with/within the city. Your editorial fails to suggest that the quagmire of ambulance



service is representative of an environment that is truly hostile to private enterprise. And that hostility has a lot to do with why Council meeting after Council meeting, or veto threat after veto threat, Lincoln is not a great place in which to do business! Shame!

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**Tammy J Grammer/Notes**  
12/22/2005 10:54 AM

To CouncilPacket/Notes@Notes  
cc  
bcc  
Subject Fw: Design Data 14th and Old Cheney Rd.

----- Forwarded by Tammy J Grammer/Notes on 12/22/2005 10:57 AM -----



**Tom Duden**  
<tom@dsndata.com>  
12/22/2005 11:10 AM

To council@lincoln.ne.gov  
cc  
Subject Design Data 14th and Old Cheney Rd.

I felt that I should make you aware that while some serious planning needs to take place in regards to the reconstruction and design of 14th and Old Cheney Rd. I'm convinced after this morning that we will be forced to analyze the adverse impact it may have on our clean-air office environment. This morning a crew was fixing pot holes, using tar to fill cracks, which I acknowledge is a necessity. All of the odor from the burning asphalt and tar was sucked into our fresh air handler which is on the north side of our building. We advised some employees to leave the building for an hour if necessary. This of course took place while we were preparing for our employee Christmas luncheon. I can now imagine the impact of multiple lanes of traffic along the north side of our office building. No response is necessary but I felt that I should make you aware of this issue. We most certainly will bring it up again when it comes time to examine the roadway project again.  
Merry Christmas to all of You.....  
tom

--

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Dec. 21, 2005

Council Person SVOBODA

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DEC 22 2005  
CITY COUNCIL  
OFFICE

Dear Sir or Madam:

It must be the Christmas season because I'm passing out free, and unsolicited, opinions. Unfortunately the local newspaper - stuck in its own molasses - makes such approaches necessary so bear with me. NO this is not an unfocused fussing, the council is clearly struggling with increasingly complex issues in a format suitable for the fifties. We've outgrown our old britches and there appears to be no one to put such an issue on the table, or in focus. Times change and before the first real crisis, or scandal, occurs your next agenda item should be governance machinery - can we patch up the old pair, are they suitable to the times, should we consider overalls etc.? Do something most municipalities in growth mode do not, because commercial interests, and their attorneys, will overwhelm an unprepared governance body - and at this point Lincoln appears vulnerable.

Sincerely



M. A. Christensen

5141 Vine St. #1009

Lincoln, NE. 68504